

## REMARKS

### I. Introduction

Claims 1-28 were pending in the application.

Claims 1-28 were rejected under 35 U.S.C.

§ 103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (hereinafter "May") in view of Silverman et al., U.S. Patent No. 5,136,501 (hereinafter "Silverman").

Claims 1 and 12 have been amended to incorporate the features of dependent claims 23 and 26, respectively. Claims 24, 25, 27 and 28 have been amended to conform to the amendments of claims 1 and 12. Claims 23 and 26 have been cancelled.

The rejections are respectfully traversed.

### II. Summary of Telephonic Interview

Examiner Thu Thao Havan, the undersigned and the undersigned's colleague Joel Weiss, Reg. No. 44,398, conducted a telephonic interview on November 30, 2005. The undersigned and Mr. Weiss (hereinafter "applicants' representatives") wish to thank Examiner Havan (hereinafter "the Examiner") for the courtesies extended during the interview.

Details of the substance of the interview appear in more detail in the discussion below where appropriate. Generally, the Examiner and the applicants' representatives discussed whether "shut[ting] off trading for the counterparty," which is specified in independent claims 1 and 12, is shown or suggested in May in view of Silverman. The Examiner and applicants' representatives discussed whether May's or Silverman's disclosure regarding blocking completion of a trade between a pair of counterparties when the gross counterparty credit limit is exceeded is

sufficient to show or suggest applicants' claimed feature. Applicants' representatives pointed out that these disclosures merely show preventing transactions between specific parties and does not show or suggest "shutting off trading for the counterparty."

As noted in the Interview Summary dated December 6, 2005, an agreement was not reached. At the conclusion of the interview, the Examiner indicated that an amendment further clarifying "shutting off trading for the counterparty" by including the features of dependent claims 23 and 26, for example, would advance prosecution.

III. Reply to the Rejection Under 35 § 103(a)

Applicants' independent claims 1 and 12 relate to a system and method for monitoring credit of a counterparty having a parent entity. Trade information relating to trades entered into by the counterparty are received. Positions for the counterparty indicated by the trade information are accumulated with previously accumulated positions. Positions for the parent entity indicated by the trade information are accumulated with previously accumulated positions. At least one of accumulated counterparty positions and accumulated parent entity positions are compared with at least one trading limit. The trading account for the counterparty is shut off when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit.

The Office Action contends that applicants' claimed features are obvious over May in view of Silverman. Applicants respectfully disagree. In previous Office Actions, May and the prior art system of Silverman, which is discussed in May's Background of the Invention, were

relied upon in rejecting applicants' claims. The Silverman reference itself is now being relied upon in the present Office Action in the rejection of applicants' claims. Applicants submit, however, that the Silverman reference itself does not include any additional disclosure that has any bearing on the patentability of applicants' claims beyond that which is described, and that has already been considered, in the May reference. Nevertheless, in order to advance prosecution of the application, applicants have amended independent claims 1 and 12 to include the feature of dependent claims 23 and 26, respectively. In particular, applicants amended claims 1 and 12 now specify that the trading account for the counterparty is shut off when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit.

May and Silverman are directed toward a credit monitoring system for pairs of counterparties. In Silverman a "credit limit" functions to cap the monetary amount of trading one party can transact with another party. If the amount exceeds the credit limit, Silverman discloses preventing the transaction between the parties. (See May, column 2, lines 27-39 and column 1, line 65 - column 2, line 5; see also Silverman, column 2, lines 17-62 and column 3, line 18 - column 4, line 5.)

Applicants submit that neither May nor Silverman show or suggest "shutting off the trading account for the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit." May and Silverman only concern preventing specific transactions between specific parties. In Silverman, a specific

transaction between a pair of counterparties is prevented if a credit limit is exceeded. Applicants' claims, on the other hand, require shutting off the trading account of the counterparty. This means that in applicants' claims all transactions for a counterparty are prevented, not just a specific transaction between specific parties, as in Silverman. In addition, preventing a particular transaction between specific parties does not show or suggest shutting off the trading account of a counterparty, which would, for example, shut off the ability of the counterparty to trade (see, e.g., applicants' claims 25 and 28).

Therefore, for at least the foregoing reasons, applicants submit that independent claims 1 and 12 are in condition for allowance. Claims 2-11, 13-22, 24, 25, 27 and 28, which depend from one of independent claims 1 and 12, are also in condition for allowance. Applicants respectfully submit that the rejection of the claims be withdrawn.

#### IV. Conclusion

The foregoing demonstrates that applicants' claims 1-22, 24, 25, 27 and 28 are patentable. This application is therefore in condition for allowance. Reconsideration and allowance of this application are respectfully requested.

If, on the other hand, the Examiner intends to issue a further rejection of the claims, applicants respectfully request, and would greatly appreciate, a phone call at the below number or 212-596-9256 in order to discuss the intended rejection.

Respectfully submitted,



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